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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 127

SHORT TITLE: Homelessness Reduction Division

SPONSOR: Pope

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/13/2026 **ANALYST:** Hernandez

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA	No fiscal impact	See "Fiscal Implications"	See "Fiscal Implications"		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Health Care Authority
 Workforce Solutions Department
 Higher Education Department

SUMMARY

Synopsis of Senate Bill 127

Senate Bill 127 (SB127) appropriates \$1 million from the general fund to the Health Care Authority (HCA) for the purpose of creating a Homelessness Reduction Division. The division is responsible for leading the state’s efforts to reduce homelessness. SB127 creates a 16-member interagency homelessness reduction taskforce and an eight-member homelessness reduction advisory council.

The effective date of this bill is July 1, 2026.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

The Authority estimates that an additional 40 FTE would be required to enact SB127. HCA estimates that the total projected costs per fiscal year are approximately \$6.7. While LFC estimates that the total needed FTE may be lower than 40, which would drive down the cost, there would likely be a significantly higher impact to the general fund than what is appropriated.

Although SB127 does not specify future appropriations, establishing a new program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

SIGNIFICANT ISSUES

The Workforce Solutions Department currently has an Office of Housing that is not statutorily mandated. While SB127 would codify an office to reduce homelessness, it would likely duplicate efforts already being made.

According to data by the New Mexico Coalition to End Homelessness, as of January 22, 2025, there were 4,683 unhoused individuals in the state of New Mexico.

AEH/dw/ct